

XII. RECORDS RETENTION AND FILING

A. GENERAL

Certain documents are used to determine the accuracy of the budgetary status reports received from the Division of Accounting and used by the Auditor of Accounts to determine the validity of financial data and the propriety of transactions. The filing methods that are described are the minimum requirements placed on organizations that generate financial documents for central processing. Organizations may set higher standards of criteria for records retention and filing. Any exceptions to this procedure must be approved by the Director of the Office of Management and Budget.

B. RECORDS RETENTION

Records retention is established by the Delaware Public Archives. Resources on "State Agency General Records Retention Schedule" is available at www.archives.delaware.gov.

Financial transaction documents must be retained until the completion of a successful audit. A successful audit is one in which **all** General, Special and Federal findings and recommendations have been completely resolved. Financial reports must be retained for five years and completion of a successful audit.

C. FILING

Files must be maintained to show the budget execution on an individual appropriation basis. Documents contained within these files must reflect activity for a particular appropriation only, and will not be commingled with any other appropriation. Within these criteria, documents should be filed and re-filed according to their progress within the transaction completion cycle; i.e., unliquidated encumbrances, deliveries affected - awaiting invoices, unpaid invoices and paid invoices. Documents filed in this manner will facilitate the reconciliation of the appropriation files with the official reports provided by the Division of Accounting.

Agency guidance pertaining to the use of these files and their security must be disseminated to all employees who have need to use these documents. Institution of a "charge out" system may be made depending on the number of individuals using the file and the file location.

An outline for the system of filing and reconciliation follows. It is called the Suspended Record Keeping System, and its purpose is to reduce manual postings by organizations.

1. Files

a. Holding File

Created to accommodate monthly financial document activities, this file is primarily set up by appropriation and object code. Separate sections must be devoted to personnel costs, cash receipts, expenditure corrections, intergovernmental vouchers, personal expenses, transfers, purchase orders, payment vouchers, etc. During the month, as each transaction occurs, the office copy is filed in the Holding file.

b. Vendor File

The agency copy of a purchase order, with the agency copy of the payment voucher attached, is filed alphabetically by vendor. Additionally, information such as change of addresses and W-9s can be placed in this file.

c. Reconciliation File

This file is established to accommodate monthly documents after reconciliation of the Budgetary Activity Report. All financial documents that correctly appear on the Budgetary Activity Report are removed from the Holding file and filed in the

Reconciliation file by months under the appropriation and object.

2. Notebook for Specific Purchases and Open-Order Purchase Orders

Purchase orders are kept in the Holding file until reconciliation of the Budgetary Activity Report.

3. Documents

a. Payment Vouchers

- Code, get necessary approvals and signatures.
- Separate and distribute
- One agency copy filed in holding file with receiving copy attached if final payment of purchase order.
- One agency copy filed in Vendor File with agency copy of purchase order attached with final payment.
- Remaining copies sent to the Division of Accounting.

b. Specific Purchase Orders

- Need necessary approvals and signatures.
- Separate and distribute.
- One agency copy in holding file.
- One agency copy and receiving copy sent to the school or ordering department.
- When invoice is received, follow the procedure for Payment Vouchers.
- When the payment voucher is prepared – before filing – post partial payment to organization copy. This posting provides a control ledger for the purchase orders.

c. Open-Order Purchase Orders

- Follow the procedures for specific Purchase Orders
- File in separate notebook marked “Open Order” by appropriation and object code
- When the payment voucher is prepared - before filing - post partial payment to organization copy. This posting provides a control ledger for open-order purchase orders.

d. Cash Receipts, Transfers, Expenditure Corrections, Intergovernmental Vouchers, etc.

- Retain one copy in Holding File. Attach approved copy from the State Treasurer's Office, Division of Accounting or the Office of Management and Budget and file in the permanent file after monthly reconciliation.

4. Weekly Reconciliation

Using the Holding File, check each payment voucher and purchase order against the Budgetary Activity Report. Do the same for personnel costs, cash receipts, expenditure corrections, intergovernmental vouchers and transfers. Documents which are dated late in the month and do not appear on the Budgetary Activity Report are returned to the Holding file. If documents do not process as expected, please contact Division of Accounting. Documents that appear on the Budgetary Activity Report are filed in the Reconciliation File.

5. End-of-Month Reconciliation

The Holding file should be purged at the end of each month. Payment vouchers and purchase orders must be checked against the budgetary activity. Do the same for the personnel costs, cash receipts, expenditure corrections, intergovernmental vouchers and transfers. Documents that do not appear on the Budgetary Activity Report are filed in the Holding File. Documents that do appear on the Budgetary Activity Report are filed in a Reconciliation File by month. This file contains budgetary activity, financial documents and a copy of reconciliation.

D. CONSTRUCTION PROGRAM FILING SYSTEM

The following procedures are to be implemented to effectively manage and control the use of funds allocated to construction projects in State organizations. All construction documents should be kept separate and apart from all other General and/or Special Fund accounts. All projects within any given year's program should have a separate, well-identified file.

A centrally-located construction file should be established to include, but not necessarily be limited to, the following:

1. Copy of authorizing legislation for construction and a copy of any supplemental legislation affecting construction programs.
2. Copy of major capital improvement planning budget as approved by Delaware Economic Development Office, State Architect and General Assembly. Construction projects funded through the Capital Improvement Program or through bonds guaranteed in whole or in part by the State of Delaware fall within the preview of the Architectural Accessibility Act (29 Del. C., c. 73). Renovations/construction projects funded through General Fund operational monies are also covered in this Act. Construction plans and specifications must be submitted to the State Architectural Accessibility Board for review and approval prior to the start of construction.
3. Files for each individual project
 - a. Architect's preliminary schematics.
 - b. Architect's preliminary cost estimates.
 - c. Evidence of advertisement for bids.
 - d. Copy of instructions to bidders and job specifications.
 - e. Tabulation of bids:
 - General Construction.
 - Subsidiary Construction.
 - Equipment and Materials
 - f. Copy each bidder's proposal.
 - g. Letter of award to successful bidder.
 - h. Copy of general construction contract.
 - i. Copy of architect's contract.
 - j. Copy of all purchase orders.
 - k. Copy of performance bond, labor and material bonds and contractor's insurance certificates as required by specification and State bid laws.

- l. Evidence of bid security deposits being returned to unsuccessful bidders as required by bid laws.
- m. Copy of working budget after award of contract.
- n. Documentation of need and original of all change orders with supporting purchase order modifications to update associated purchase orders.
- o. Copy of all payment vouchers, expenditure correction forms, transfers, cash receipts reports and any other pertinent fiscal documents.
- p. Certification of official start of construction, substantial completion and occupancy.
- q. All certificates required by specifications re: concrete tests, metal stress and/or special tempers, alloys, etc.
- r. Certificates rendered by Fire Marshal's Office, plumbing inspector, electrical inspector, etc.
- s. Any legal determinations rendered.
- t. Copies of correspondence related to each project.
- u. Documentation of major changes in contract or specification such as change of subcontractors, alternate items bid, rejected and later reinstated, etc.
- v. Evidence of deeds to any land acquired for construction of any project or program.
- w. After completion and acceptance of construction:
 - All guarantees required by specification and/or law;
 - General contractor's release of liens from all vendors and subcontractors;
 - Evidence of any liquidated damages assessed if the job was not completed within the time prescribed by the contract. If liquidated damages were assessable and not collected, documented reasons for non-collection.; and
 - Documentation of any extension(s) of time for contract completion;
- 4. Ensure that contractors' insurance certificates are updated by expiration date, if job is still in progress at such expiration date.
- 5. Books of account, i.e., Department of Technology and Information reports, ledgers or any other type of accounts used. Any other supporting books of account.
- 6. Copies of any special reports: engineering, cost analysis, etc
- 7. Excerpts from minutes of any board, commission, committee, etc., having to do with planning, approving or authorizing use of construction monies, if such entities exist.